

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

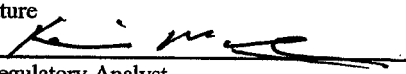
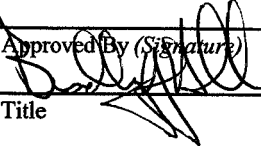
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-9809	
1b. Type of Well: <input type="checkbox"/> <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UTE	
2. Name of Operator Kerr-McGee Oil & Gas Onshore, LP		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 173779 Denver, CO 80217-3779		8. Lease Name and Well No. Federal 821-33MT	
3b. Phone No. (include area code) 720.929.6226		9. API Well No. 43-047-40137	
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface 904 FSL 813 SW SW Lat. 40.07485 Long. -109.564792 FWL 622375X 40.074645 At proposed prod. zone N/A 4436819Y -109.564864		10. Field and Pool, or Exploratory Natural Buttes Field	
11. Sec., T., R., M., or Blk. and Survey or Area Sec 33 T 8S R 21E			
14. Distance in miles and direction from the nearest town or post office* 6.55 miles southeast of Ouray, Utah		12. Cou State Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 813'		16. No. of acres in lease 40	
17. Spacing Unit dedicated to this well 40			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1500'		19. Proposed Depth 10,900'	
20. BLM/ BIA Bond No. on file WYW000291/RLB0005239			
21. Elevations (Show whether DF, RT, GR, etc.) 4664 GR		22. Aproximate date work will start* ASAP	
		Esti mat 10 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Land SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by authorized officer. |

25. Signature 	Name (Printed/ Typed) Kevin McIntyre
Title Regulatory Analyst	
Approved By (Signature)  06-17-08	Name (Printed/ Typed) BRADLEY G. HILL
Title Environmental Manager	Office ENVIRONMENTAL MANAGER

RECEIVED

JUN 06 2008

DIV. OF OIL, GAS & MINING

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Federal Approval of this
Action is Necessary

T8S, R21E, S.L.B.&M.

Kerr-McGee Oil & Gas Onshore LP

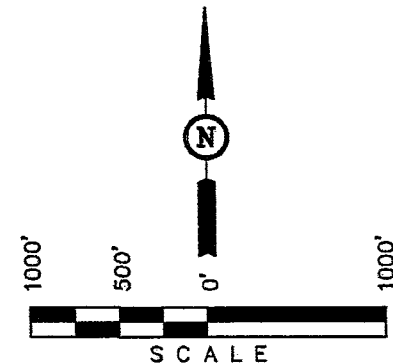
Well location, FEDERAL #821-33MT, located as shown in SW 1/4 SW 1/4 of Section 33, T8S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

BASIS OF BEARINGS

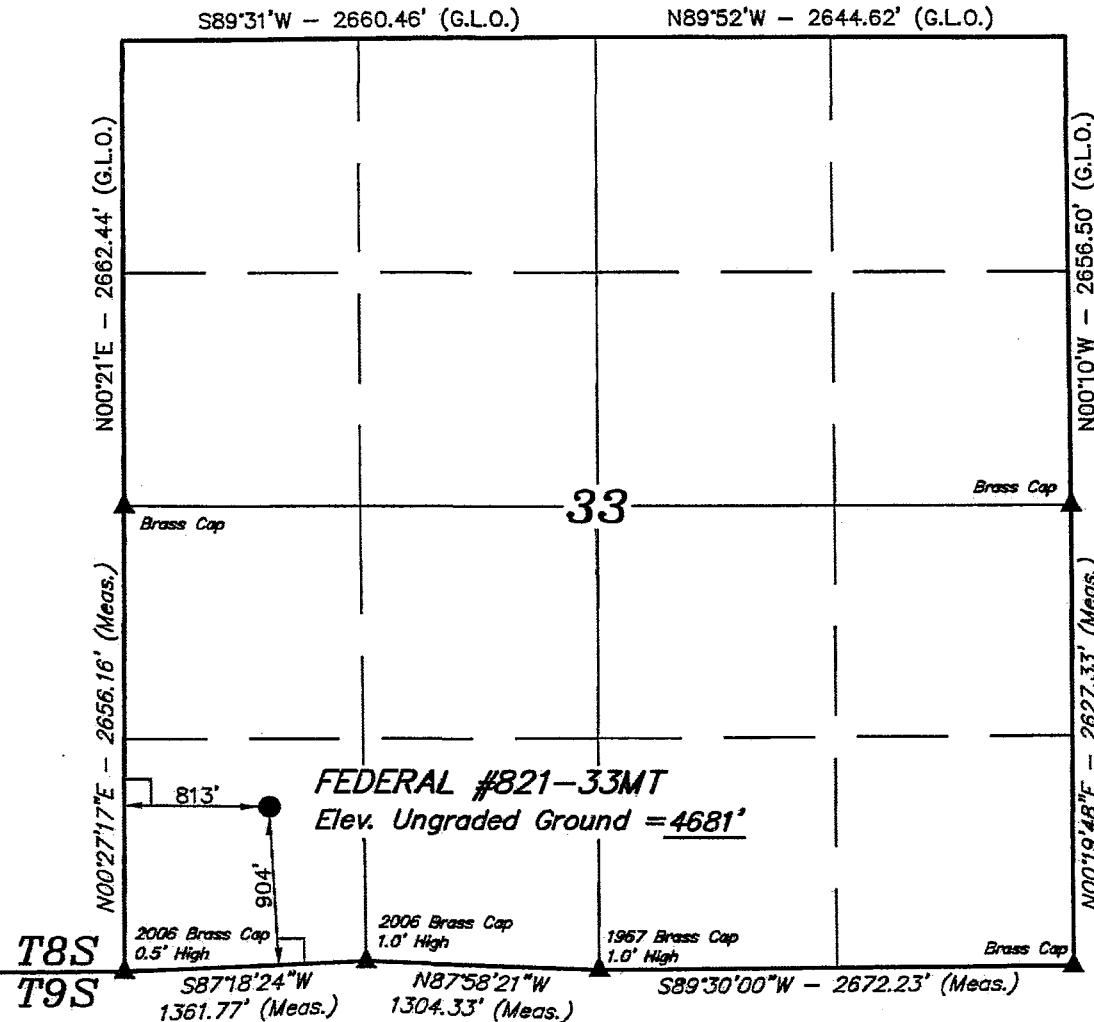
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH



LEGEND:

- └ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(NAD 83)
 LATITUDE = 40°04'29.33" (40.074814)
 LONGITUDE = 109°33'55.73" (109.565481)
 (NAD 27)
 LATITUDE = 40°04'29.46" (40.074850)
 LONGITUDE = 109°33'53.25" (109.564792)

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 4-16-08	DATE DRAWN: 5-14-08
PARTY D.K. C.K. C.P.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE Kerr McGee Oil & Gas Onshore LP	

**Federal 821-33MT
SWSW Sec. 33, T8S R21E
UINTAH COUNTY, UTAH
UTU-9809**

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	0- Surface
Green River	2055'
Top of Birds Nest Water	2379'
Mahogany	2779'
Wasatch	5571'
Mesaverde	8760'
MVU2	9723'
MVL1	10,255'
TD	10,900'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2055'
	Top of Birds Nest Water	2379'
	Mahogany	2779'
Gas	Wasatch	5571'
Gas	Mesaverde	8760'
Gas	MVU2	9723'
Gas	MVL1	10,255'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated at 10,900' TD, approximately equals 6758 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 4360 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates:**

Drilling is planned to commence immediately upon approval of this application.

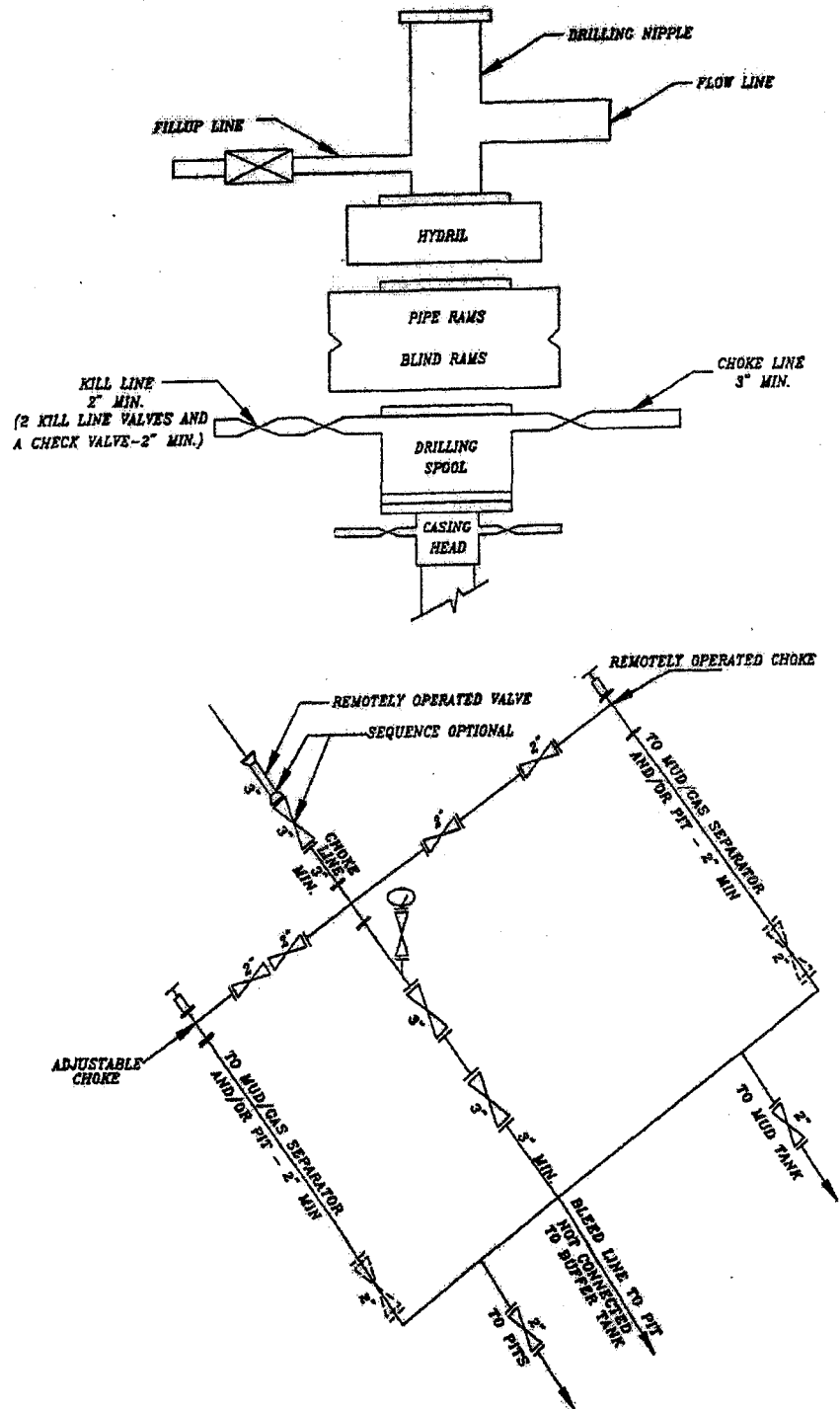
9. **Variances:**

Please see Natural Buttes Unit SOP.

10. **Other Information:**

Please see Natural Buttes Unit SOP.

EXHIBIT A



SCHEMATIC DIAGRAM OF 5,000 PSI BOP STACK

**Federal 821-33MT
SWSW Sec. 33, T8S R21E
UINTAH COUNTY, UTAH
UTU-9809**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to the attached location directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Approximately 350' +/- miles of new access road. Please refer to the attached Topo Map B.

3. Location of Existing Wells Within a 1-Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see the Natural Buttes Unit SOP.

Existing pipeline for Federal # 33-93 will be utilized for this twin location.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon Brown (2.5Y 6/2), a non-reflective earthtone.

5. Location and Type of Water Supply:

Please see the Natural Buttes SOP.

6. Source of Construction Materials:

Please see the Natural Buttes SOP.

7. Methods of Handling Waste Materials:

Please see the Natural Buttes SOP.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E, Pipeline Facility, Sec. 36, T9S, R20E, Goat Pasture Evaporation Pond, SW/4 Sec. 16, T10S, R22E, Bonanza Evaporation Pond, Sec. 2, T10S, R23E.

8. **Ancillary Facilities:**

Please see the Natural Buttes SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

Culverts will be installed where needed.

A run off diversion for drainage will be constructed where needed.

The reserve pit will be lined. When the reserve pit is closed the pit liner will be buried below plow depth.

Location size may change prior to the drilling of the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling rig. The location will be re-surveyed and a form 3160-5 will be submitted.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes SOP.

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

Ute Indian Tribe
P.O. Box 70
Fort Duchesne, Utah 84026
(435) 722-5141

12. **Other Information:**

A Class III Archaeological Survey Report has been conducted for this location and submitted to the Ute Indian Tribe prior to the on-site inspection.

This location is not within 460' from the boundary of the Natural Buttes Unit, nor is it within 460' of any non-committed tract lying within boundaries of the unit.

13. Lessee's or Operator's Representative & Certification:

Kevin McIntyre
Regulatory Analyst
Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779
(720) 929-6226

Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7018

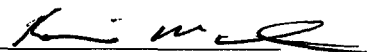
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Bureau of Indian Affairs Nationwide Bond #RLB0005239, Bureau of Land Management Nationwide Bond #WYB000291 and State of Utah Bond #RLB0005237.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Kevin McIntyre

6/5/2008
Date



KERR-McGEE OIL & GAS ONSHORE LP **DRILLING PROGRAM**

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE June 4, 2008
 WELL NAME Federal 821-33MT TD 10,900' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 4,664' GL KB 4,679'
 SURFACE LOCATION SWSW 904' FSL & 813' FWL' Sec. 33, T8S, R21E BHL Straight Hole
 Latitude: 40.074850 Longitude: -109.564792 NAD 27
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: Tribe (Surface), BLM (Minerals), UDOGM, Tri-County Health Dept.

GEOLOGICAL FORMATION			MECHANICAL		
LOGS	TOPS	DEPTH	HOLE SIZE	CASING SIZE	MUD WEIGHT
		40'		14"	
			12-1/4"	9-5/8", 36#, J-55, LTC	Air mist
Catch water sample, if possible, from 0 to 5,571'					
	Green River @	2,055'			
	Top of Birds Nest Water @	2,379'			
	Mahogany @	2,779'			
	Preset f/ GL @				
	2,850' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.					
Mud logging program TBD					
Open hole logging program f/ TD - surf csg					
	Wasatch @	5,571'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing	Water/Fresh Water Mud 8.3-11.5 ppg
	Mverde @	8,760'			
	MVU2 @	9,723'			
	MVL1 @	10,255'			
					Max anticipated Mud required 11.8 ppg
		TD @ 10,900'			



CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'						
						3520	2020	453000
SURFACE	9-5/8"	0 to 2,850'	36.00	J-55	LTC	0.82	1.51	5.04
						7780	6350	201000
PRODUCTION	4-1/2"	0 to 10900	11.60	I-80	LTC	1.81	0.95	1.82

- 1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
- 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
- (Burst Assumptions: TD = 11.8 ppg) .22 psi/ft = gradient for partially evac wellbore
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
- MASP 4360 psi

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1			+ .25 pps flocele				
	TOP OUT CMT (1)	250	20 gals sodium silicate + Premium cmt	100		15.60	1.18
			+ 2% CaCl + .25 pps flocele				
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE			NOTE: If well will circulate water to surface, option 2 will be utilized				
Option 2	LEAD	2000	Prem cmt + 16% Gel + 10 pps gilsonite	230	35%	11.00	3.82
			+ .25 pps Flocele + 3% salt BWOC				
	TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
			+ .25 pps flocele				
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	5,070'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	550	60%	11.00	3.38
	TAIL	5,830'	50/50 Poz/G + 10% salt + 2% gel + .1% R-3	1630	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

DATE: _____

DRILLING SUPERINTENDENT:

Randy Bayne

Federal 821-33MT.xls

DATE: _____

Kerr-McGee Oil & Gas Onshore LP
FEDERAL #821-33MT
SECTION 33, T8S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 3.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 2.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 350' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 37.55 MILES.

Kerr-McGee Oil & Gas Onshore LP

FEDERAL #821-33MT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 33, T8S, R21E, S.L.B.&M.

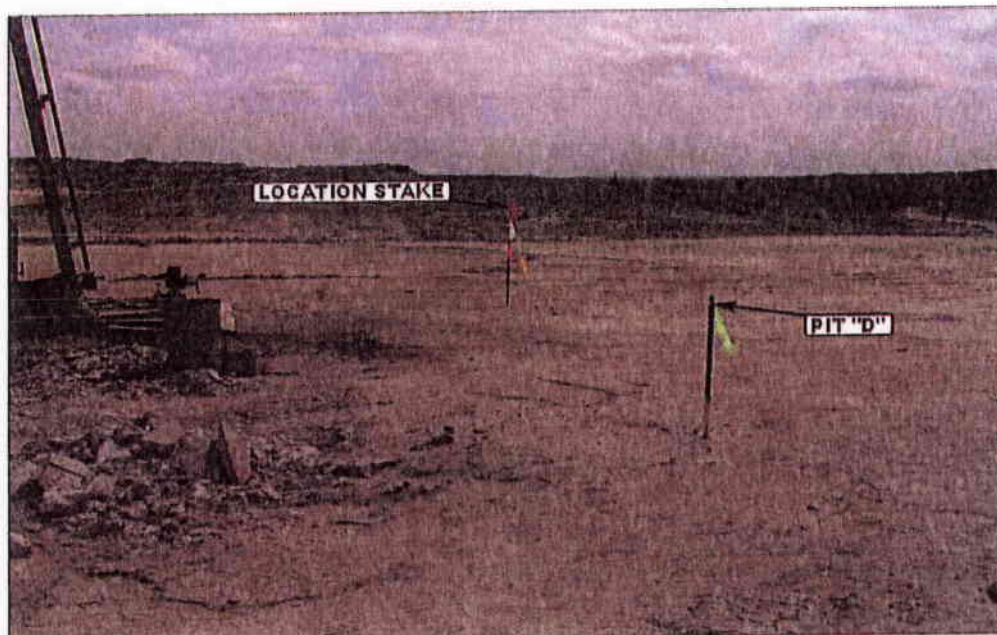


PHOTO: VIEW FROM PIT "D" TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

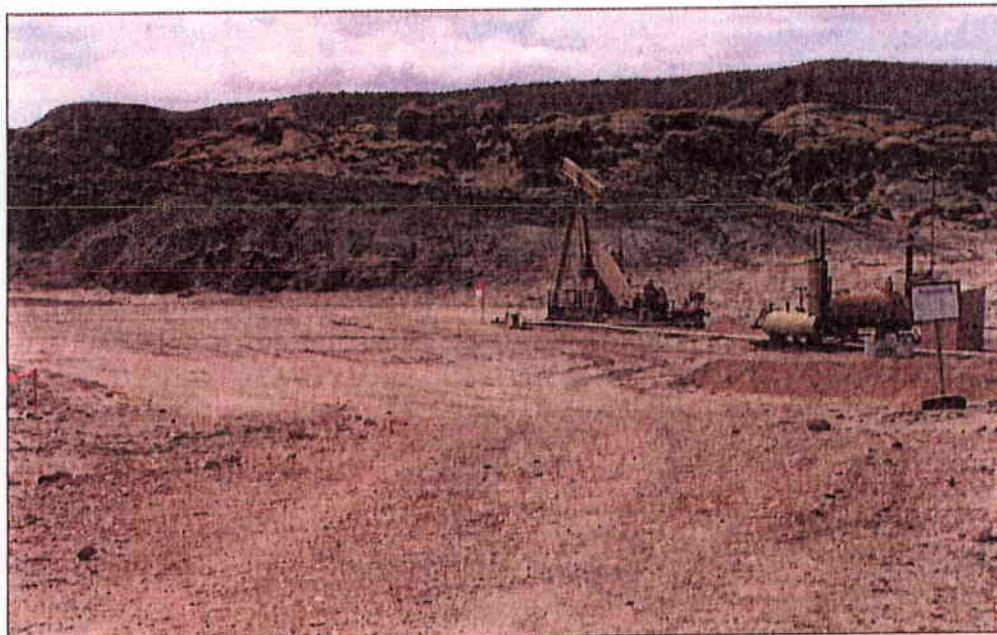


PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHERLY



- Since 1964 -

UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

05 14 08
MONTH DAY YEAR

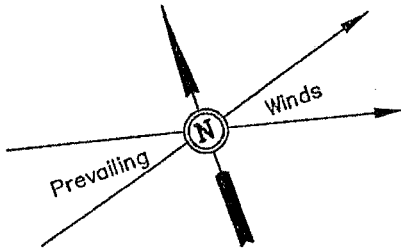
PHOTO

TAKEN BY: D.K. DRAWN BY: C.P. REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

LOCATION LAYOUT FOR

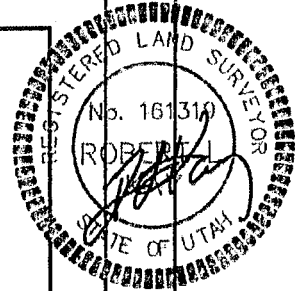
FEDERAL #821-33MT
SECTION 33, T8S, R21E, S.L.B.&M.
904' FSL 813' FWL



SCALE: 1" = 50'
DATE: 07-28-99
Drawn By: D.R.B.
Revised: 5-14-08 C.P.

Exist. Access Road

Topsoil Stockpile



NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

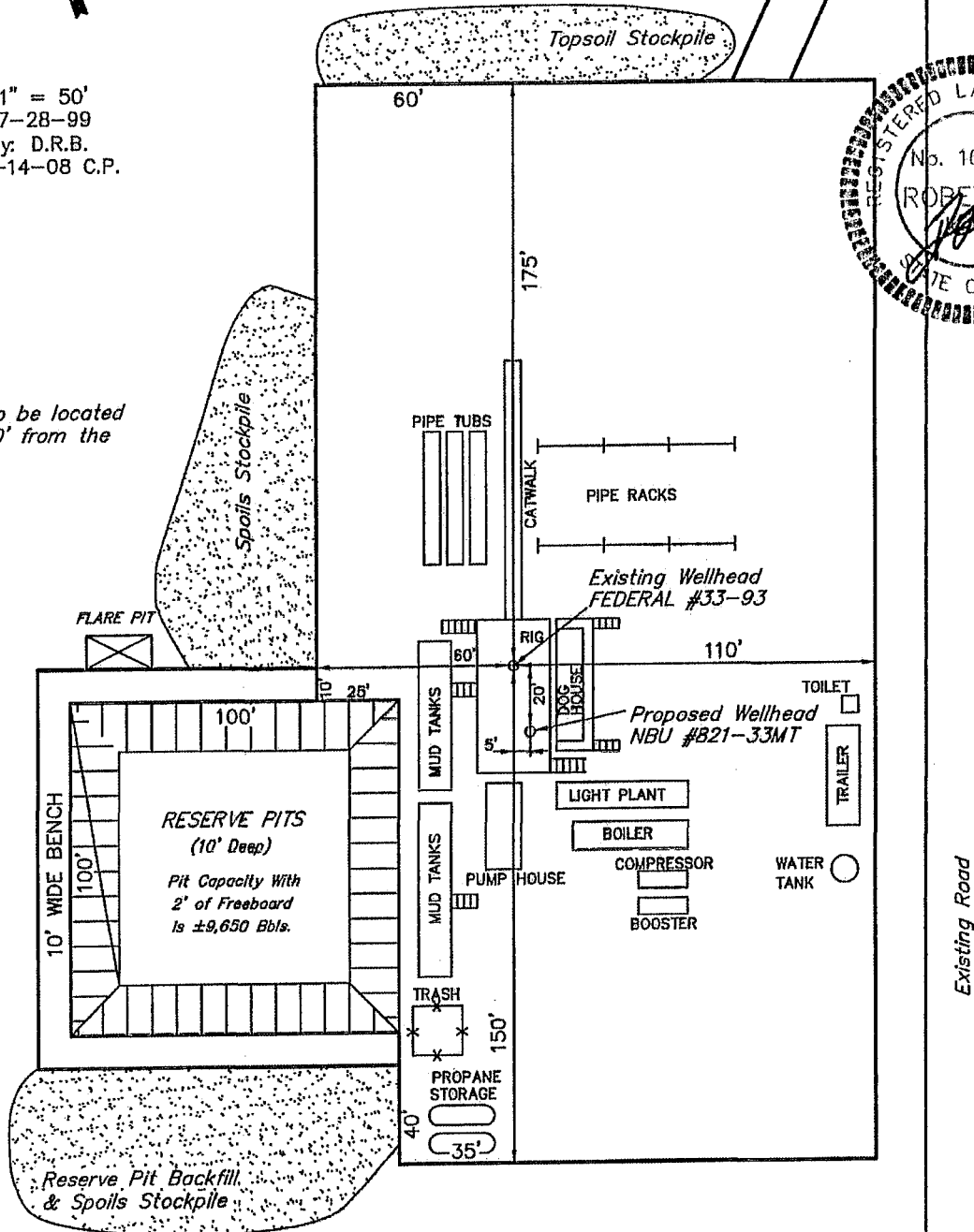
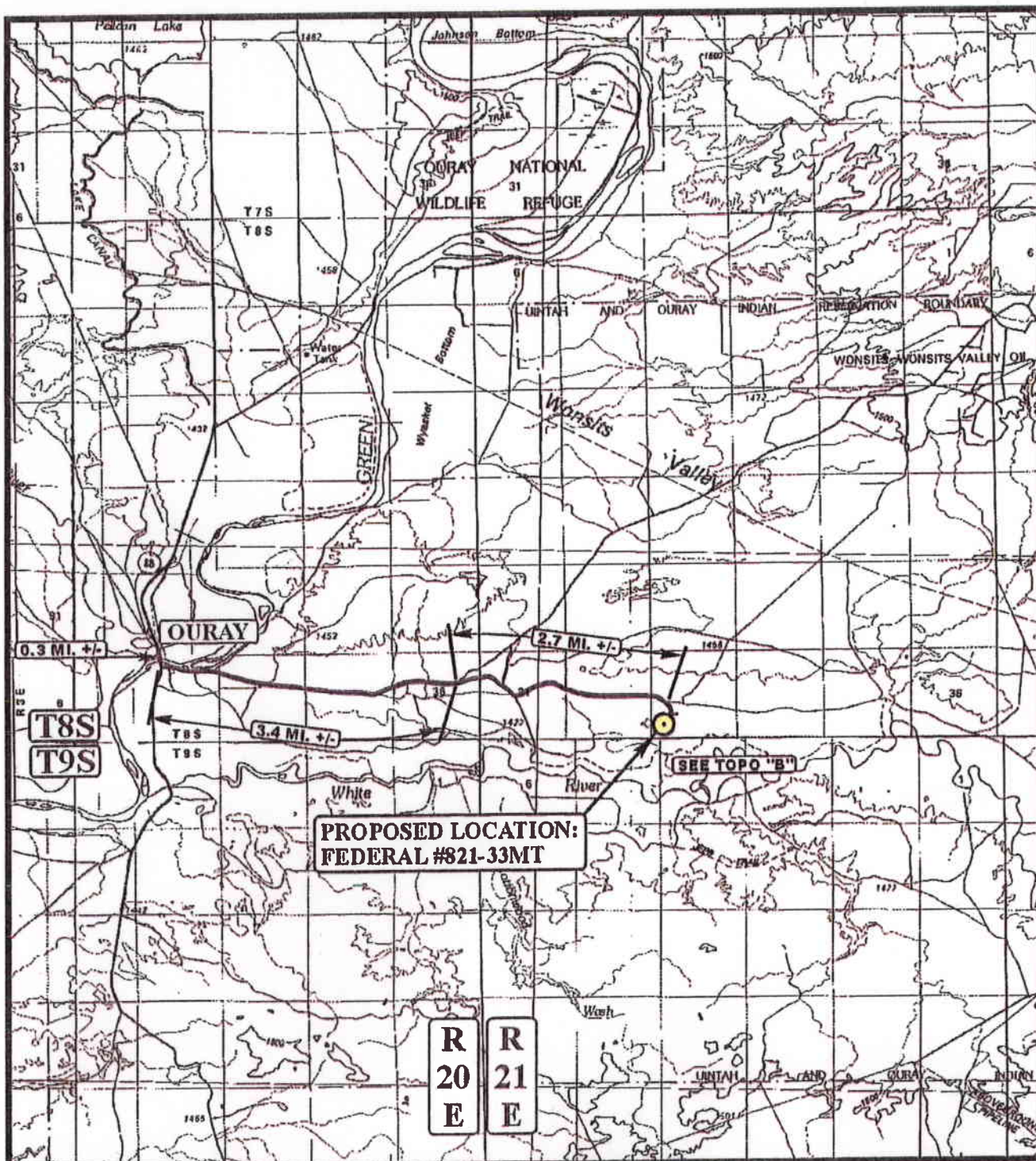


FIGURE #1

NOTES:

FINISHED GRADE ELEV. AT LOC. STAKE = 4679.6'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1077



LEGEND:

● PROPOSED LOCATION



Kerr-McGee Oil & Gas Onshore LP

FEDERAL #821-33MT
SECTION 33, T8S, R21E, S.L.B.&M.
904' FSL 813' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

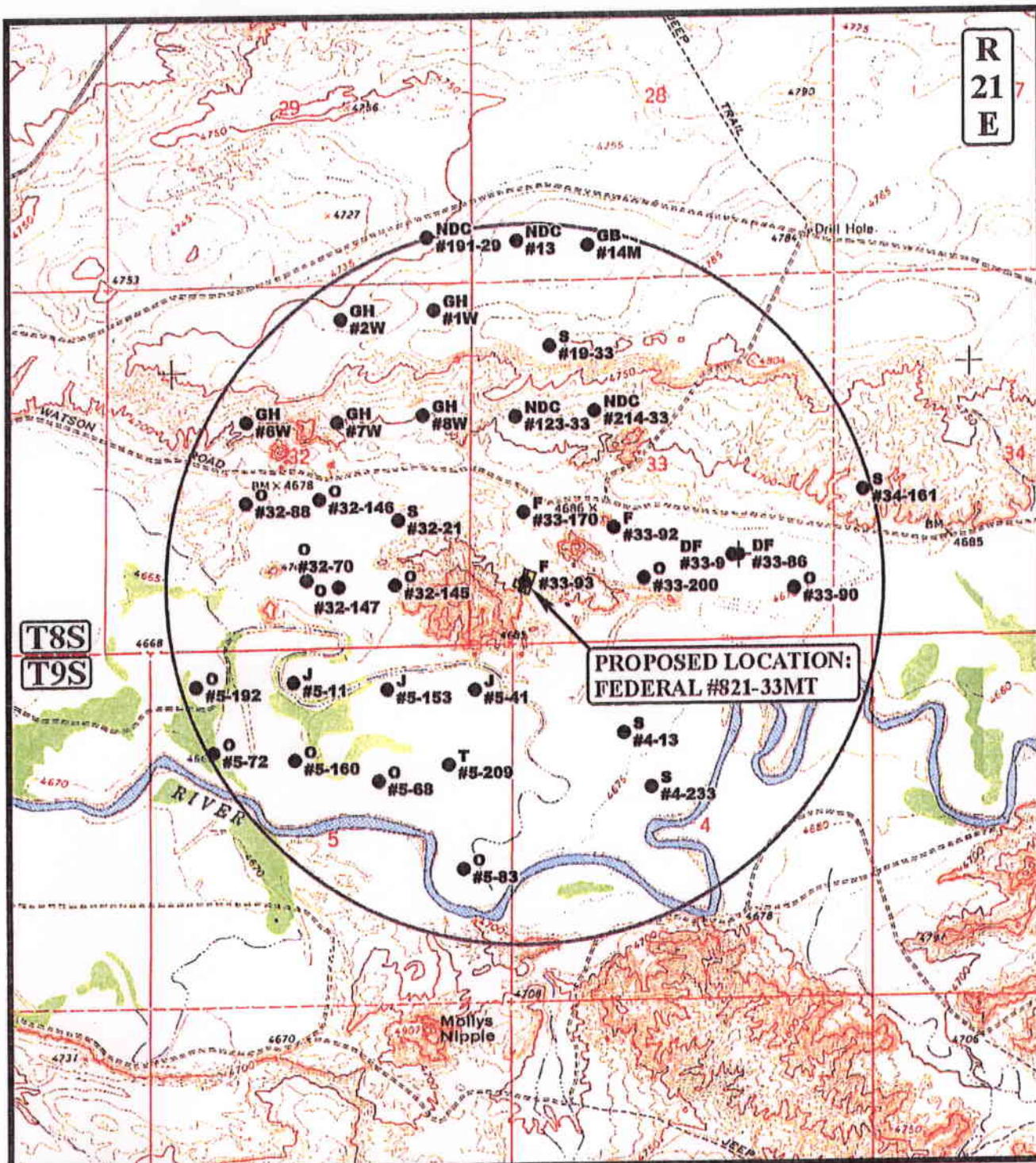
TOPOGRAPHIC
MAP

05 14 08
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00



R
21
E



LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ⊙ SHUT IN WELLS | ⊙ TEMPORARILY ABANDONED |



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



Kerr-McGee Oil & Gas Onshore LP

FEDERAL #821-33MT
SECTION 33, T8S, R21E, S.L.B.&M.
904' FSL 813' FWL

TOPOGRAPHIC MAP 05 14 08
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/06/2008

API NO. ASSIGNED: 43-047-40137

WELL NAME: FEDERAL 821-33MT

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 720-929-6226

CONTACT: KEVN MCINTYRE

PROPOSED LOCATION:

SWSW 33 080S 210E

SURFACE: 0904 FSL 0813 FWL

BOTTOM: 0904 FSL 0813 FWL

COUNTY: UINTAH

LATITUDE: 40.07465 LONGITUDE: -109.5649

UTM SURF EASTINGS: 622375 NORTHINGS: 4436819

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-9809

PROPOSED FORMATION: MVRD

SURFACE OWNER: 2 - Indian

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. WYW000291)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
(No. 43-8496)

☒ RDCC Review (Y/N)
(Date: _____)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit: _____

R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 173-20

Eff Date: 9-12-2003

Siting: 460' From Qtr/Qtr & 920' Between Wells

R649-3-11. Directional Drill

COMMENTS: See Separate File

STIPULATIONS: 1. Federal Approval

2. THE FEDERAL 821-33MT SHALL NOT BE PRODUCED FROM ANY ZONES THAT ARE BEING PRODUCED IN THE FEDERAL 33-93 WELL,



OPERATOR: KERR MCGEE O&G (N2995)

SEC: 33 T.8S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 173-20 / 9-12-2003

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



OIL, GAS & MINING



PREPARED BY: DIANA MASON
DATE: 16-JUNE-2008



June 9, 2008

Utah Division of Oil, Gas & Mining
1594 W. North Temple, STE 1210
Salt Lake City, UT 84114-5801

Attention: Diana Mason

RE: Twin Locations

Dear Diana:

Per our email correspondences on June 6, 2008 Kerr-McGee Oil & Gas Onshore LP is submitting this letter regarding our twin program. We have several wells that plan to twin in the next few years. Our plan is to drill a second well bore to the Mesaverde formation. The currently producing wells are producing from the Wasatch formation and many will be plugged prior to drilling the Mesaverde well. Below is a current list of locations that we plan to drill a twin Mesaverde well.

✓Wissiu 820-36PT	Twin to the Wissiu 36-114	NBU 1022-3FT	Twin to the NBU 286
✓Federal 821-33MT	Twin to the Federal 33-93	NBU 1022-5BT	Twin to the NBU 140
NBU 920-15FT	Twin to the CIGE 22	NBU 1022-5IT	Twin to the NBU 338
NBU 921-26IT	Twin to the NBU 68-N2	NBU 1022-8IT	Twin to the CIGE 250
NBU 921-30FT	Twin to the NBU 261	NBU 1022-9AT	Twin to the NBU 291
NBU 921-31BT	Twin to the NBU 378	NBU 1022-10HT	Twin to the NBU 293
NBU 921-35AT	Twin to the CIGE 54D	NBU 1022-10FT	Twin to the NBU 248
NBU 922-31CT	Twin to the NBU 354	✓NBU 921-03BT	Twin to SHOYO 3-162
✓NBU 922-31GT	Twin to the CIGE 220	✓NBU 921-20IT	Twin to CIGE 70
NBU 922-32O1T	Twin to the NBU 404	NBU 921-27MT	Twin to NBU 395
NBU 922-32F3T	Twin to the CIGE 106D	NBU 921-27OT	Twin to NBU 305
NBU 922-35IT	Twin to the CIGE 118	✓NBU 921-15MT	Twin to NBU 191
NBU 922-36NT	Twin to the CIGE 147	NBU 921-27HT	Twin to NBU 109
✓NBU 1022-1CT	Twin to the CIGE 105D	NBU 921-27KT	Twin to NBU 83J
NBU 921-27LT	Twin to NBU 214		

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JUN 11 2008



NBU 1022-4N4T	Twin to NBU 148
NBU 922-31L4T	Twin to NBU 41J
NBU 1022-4L1T	Twin to NBU 147
NBU 1022-9F4T	Twin to NBU 150
NBU 1022-4P1T	Twin to NBU 208
NBU 1022-9D1T	Twin to NBU 151
NBU 1022-3G3T	Twin to NBU 185
NBU 1022-10A2T	Twin to NBU 117
NBU 921-11B3T	Twin to NBU 195
NBU 921-21E4T	Twin to NBU 127
NBU 921-8A4T	Twin to NBU 202

The above lists of well locations are planned for the 2008-2009 drilling program. This list may vary depending on the program. Please do not hesitate to call me if you have any further questions or need additional information.

Thank you,

A handwritten signature in cursive script that reads 'Raleen White'.

Raleen White
Sr. Regulatory Analyst

Cc: SITLA – Ed Bonner
BLM Vernal Office – Verlyn Pindell



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 17, 2008

Kerr-McGee Oil & Gas Onshore LP
P O Box 173779
Denver, CO 80217-3779

Re: Federal 821-33MT Well, 904' FSL, 813' FWL, SW SW, Sec. 33, T. 8 South, R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40137.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office

Operator: Kerr-McGee Oil & Gas Onshore LP

Well Name & Number Federal 821-33MT

API Number: 43-047-40137

Lease: UTU-9809

Location: SW SW **Sec.** 33 **T.** 8 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. The Federal 821-33MT shall not be produced from any zones that are being produced in the Federal 33-93 well.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-9809			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE			
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: FEDERAL 821-33MT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0904 FSL 0813 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWSW Section: 33 Township: 08.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047401370000			
PHONE NUMBER: 720 929-6587 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES			
COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: June 10, 2009 By:			
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 6/9/2009					



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401370000

API: 43047401370000

Well Name: FEDERAL 821-33MT

Location: 0904 FSL 0813 FWL QTR SWSW SEC 33 TWP 080S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/17/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
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- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

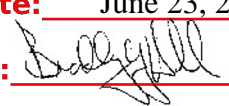
Date: 6/9/2009

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: June 10, 2009

By: 

RECEIVED June 09, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
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DATE 6/17/2010					

RECEIVED June 17, 2010



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Oil, Gas and Mining**

Signature: Danielle Piernot

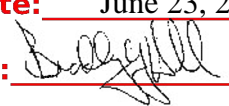
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By:

RECEIVED June 17, 2010

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11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/17/2010 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, L.P. (Kerr-McGee) respectfully requests an extension to this APD for the maximum time allowed. Please contact the undersigned with any questions and/or comments. Thank you.					
<div style="text-align: right;"> Approved by the Utah Division of Oil, Gas and Mining </div>		Date: June 23, 2010 By: 			
NAME (PLEASE PRINT) Danielle Piernot		PHONE NUMBER 720 929-6156			
SIGNATURE N/A		TITLE Regulatory Analyst			
DATE 6/17/2010					

RECEIVED June 17, 2010



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047401370000

API: 43047401370000

Well Name: FEDERAL 821-33MT

Location: 0904 FSL 0813 FWL QTR SWSW SEC 33 TWP 080S RNG 210E MER S

Company Permit Issued to: KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date Original Permit Issued: 6/17/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Danielle Piernot

Date: 6/17/2010

Title: Regulatory Analyst **Representing:** KERR-MCGEE OIL & GAS ONSHORE, L.P.

Date: June 23, 2010

By: 

RECEIVED June 17, 2010



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



OCT 28 2010

IN REPLY REFER TO:
3160 (UTG011)

Julie Jacobson
Kerr McGee Oil & Gas Onshore LP
PO Box 173779
Denver, CO 80217-3779

43 047 40137

Re: Request to Return APD
Well No. Federal 821-33MT
SWSW, Sec. 33, T8S, R21E
Uintah County, Utah
Lease No. UTU-9809
CA NRM1705

Dear Ms. Jacobson:

The Application for Permit to Drill (APD) for the above referenced well received in this office on June 9, 2008, is being returned unapproved per your request to this office in an email message received on September 30, 2010. If you intend to drill at this location at a future date, a new APD must be submitted.

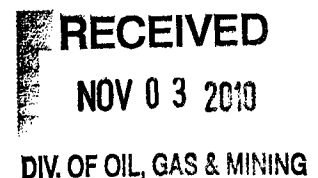
If you have any questions regarding APD processing, please contact Cindy Severson at (435) 781-4455.

Sincerely,

James H. Sparger
Acting Assistant Field Manager
Lands & Mineral Resources

Enclosures

cc: UDOGM





GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 20, 2011

Andrew Lytle
Kerr McGee O&G Onshore, L.P.
1099 18th Street, Ste. 600
Denver, CO 80217-3779

43 047 40137
Federal 821-33MT
85 21E 33

Re: APDs Rescinded for Kerr McGee O&G Onshore, L.P.
Uintah County


Dear Mr. Lytle:

Enclosed find the list of APDs that are being rescinded per your request to Kerr McGee O&G Onshore, L.P., No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 20, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



→ 43-047-40137 FEDERAL 821-33MT
43-047-40138 WASSIUP 820-36PT
43-047-40139 NBU 921-03BT
43-047-40132 BITTER CREEK 1122-03E
43-047-39387 NBU 1022-6B-2